

COVID-19: Mortgage Payment Options Tool-Kit

In this unprecedented period of uncertainty, we have received numerous requests regarding lenders' "existing" and "emergency relief" policies with respect to flexible payment options. While we have included some general comments below, specific details for each lenders' COVID-19 response page is linked in the right column.

Important! Communication is key if you think you may miss a payment (or more). Lenders' have all stepped up to help during this period of uncertainty. If you think you may miss a payment, **make sure to let your bank/lender know in advance.** There may be instructions on how to do this electronically on the lenders' website, or if you tried calling and can't get through, be sure to send an email and document everything.

Standard skip-a-payment/miss-a-payment options:

Many banks/lenders include a one month "skip-a-payment" or "miss-a-payment" option as a standard feature of their mortgage. This feature allows you to skip one month of mortgage payment(s). The interest that you should have paid, will get added to your outstanding balance, which you will pay down over time. As this is a standard feature for many mortgages, you may be able to initiate/activate this option directly from your online banking/mortgage portal.

Extend your amortization to lower your monthly payments:

If you are currently paying your mortgage based upon an accelerated bi-weekly payment structure, or if you have made any lump sum payments or increased payments, you may have the option to increase your amortization. By increasing your amortization (extending your mortgage duration), you will effectively decrease your monthly payments. When things turn positive, you could then focus on making lump sum payments to shorten your amortization.

Do you have a Line of Credit? You may be able to utilize the available balance as a buffer.

If you have an existing line of credit, you may be in a position to borrow from yourself to help get through this difficult time. For example, if you take a lump sum out of your line of credit, you could use that to temporarily make your mortgage payments, or make the minimum line of credit payment. As this will create additional debt/cost in the long term, it is important to make sure you analyze all your options both from a short and long-term perspective.

COVID-19 Lender Updates & Payment Deferral Details:

Banks

Scotiabank: [Click Here](#)

TD: [Click Here](#)

RBC: [Click Here](#)

BMO: [Click Here](#)

CIBC: [Click Here](#)

NBC: [Click Here](#)

HSBC: [Click Here](#)

Other Banks, Credit Unions, Mono-line Lenders

Alterna Savings: [Click Here](#)

B2B Bank: [Click Here](#)

CMLS: [Click Here](#)

Desjardins: [Click Here](#)

Equitable Bank: [Click Here](#)

First National: [Click Here](#)

Haventree Bank: [Click Here](#)

Home Trust: [Click Here](#)

HomeEquity: [Click Here](#)

Manulife Bank: [Click Here](#)

MCAP: [Click Here](#)

Meridian Credit Union: [Click Here](#)

Mortgage Insurers

CMHC: [Click Here](#)

Genworth: [Click Here](#)

Canada Guaranty: [Click Here](#)

New! Emergency Payment Relief Solutions

In an effort to help people in need, banks and lenders have rolled out various mortgage payment deferral programs. A link the various programs are included at the end of this article, but key considerations are as follows:

Discretionary:

These emergency programs are offered at the discretion of the lender and you will need to contact them to see if you qualify. They are intended for people that are genuinely struggling to make their next mortgage payment – for example, if you have lost your job, don't have any other reserves to draw from, etc.

Deferred Mortgage Payment (vs. payment forgiveness):

These emergency programs may allow you to *defer* up to 6 months of mortgage payments (both principal and interest). While each program may differ, in general, any interest payment(s) that you defer will get added to your total principal outstanding. Once your payments start up again, there may be an increase to your monthly mortgage payment as you will now have a higher amount owing. For a detailed analysis of what this could look like in your situation, please contact us at any time.

Other Financial Product Payment Obligations:

Banks and lenders may also offer deferred payment solutions for credit cards, vehicle loans, personal secured or unsecured loans, etc. Please review the specific COVID-19 announcement for your particular lender.

Other Non-Financial Payment Obligations:

While the above programs only address financial products, it will be your responsibility to continue to make any property tax, insurance, utility, condo fee payments, etc. As municipalities and companies across Canada are working hard to create creative solutions to help people, be sure to check relevant websites regularly for any updates.